

**Imperial College Union
Finance, Audit & Risk / 26 June 2024**

Management Accounts May 2024

Author(s): Peter Greaney (External Finance Director)
David Ashton (Financial Controller)
Purpose: To present the Management Accounts for May 2024
Action(s): To note

1. Summary

Year to date, the Union has made a surplus of £279k, which is £108k ahead of the January re-forecasted surplus of £171k. This can be attributed to higher contributions from both Venues and Retail, of £61k and £35k respectively, and expenditure savings of £17k in core areas.

In the month of May, the Union incurred a small loss of £2k, compared to a predicted surplus of £23k. This deficit is due to overspends in core areas totaling £42k offset by additional contributions from Venues and Retail of £13k and £7k respectively.

The accounts are presented and analysed in comparison to the January 2024 re-forecasted budget (referred to as the forecast).

2. Core, Grant-Funded Performance

Core areas were £42k adverse compared to forecast in the month of May. The major cause of this adverse variance were insurance costs of £37k, as the Union was required to take out separate insurance policies to Imperial College. Permanent staff costs were higher in month due to the payment of the back-dated pay rise agreed – however this was largely offset by vacancy savings.

Year to date core areas are £17k ahead of forecast, significant additional expenditure in Leadership of £57k has been offset by vacancy savings of £75k. The table below shows a summary of the overall variances to the forecast for each of the core areas.

Area	Variance Month	Variance Year to Date	Year to Date Comments
Income			
Student Activities	(£0k)	£1k	-
Leadership & Governance	(£1k)	(£6k)	Minor reduction to Block Grant staff award due to decrease in USS pension scheme contribution rates
Expenditure			
Representation	£6k	£28k	Permanent staff vacancy savings
Marketing	£3k	£23k	Vacancy savings and activity cost underspends
Facilities, Health & Safety	£4k	£13k	Mainly vacancy savings.
People & Culture	£3k	£7k	£5k Training & Development underspend

Area	Variance Month	Variance Year to Date	Year to Date Comments
Minibus Service	£2k	£6k	
Advice & Support	(£2k)	£4k	
Student Activities	(£4k)	£1k	
Finance	(£5k)	(£2k)	£3.5k Finance System Upgrade (Part 1)
Systems	(£5k)	(£5k)	£4k Brand Refresh Research
Leadership & Governance	(£45k)	(£57k)	£37k Insurance, £7k London Sustainability Forum, £7k Trustee Recruitment and £5k VAT Review.
Total	(£44k)	£12k	

3. Commercial Performance

Overall, Commercial Services have generated a total contribution of £405k year to date – exceeding the forecast by £96k. In month of May, the contribution was also favourable – exceeding the forecasted surplus of £42k by an extra £19k.

Venues

Venues generated a net positive contribution of £21k in the month of May, compared with an expected contribution of £8k. Beit Bars exceeded forecast by £24k – while H Bar generated an additional £1k and Reynolds saw an adverse variance of £4k. Events reported an adverse variance of £8k in month as no income was reported for advertising sales or external room hire bookings – the review meeting with the budget holder has been postponed due to the Summer Ball.

Retail

In May, Retail generated a surplus of £41k, up £7k against forecast. The launch of the new Imperial brand, combined with a successful graduation day, has led to an increase in Shop sales against forecast in month of 29% (£31k). The GP margin for the Shop is still below the target of 50%, this is due to the impact of a stocktake adjustment and the continued effect of selling through old stock at lower margins.

4. Balance Sheet

The Union's Balance Sheet (Appendix 2) continues to show a strong financial position, with net assets of £2.85m.

5. Cashflow

The cashflow statement (Appendix 3) shows a healthy cash position, with a cash balance of £4.02m as at 31st May 2024.